

Current Nebraska Tax Rates

The following are descriptions and rates of selected taxes not included on the Nebraska Tax Rate Chronologies. The tax rates are those in effect as of January 1, 2007.

Documentary Stamp Tax

The documentary stamp tax is a tax imposed on the grantor executing a deed for the privilege of transferring beneficial interest in or legal title to real estate. Effective July 1, 2005 the rate of tax increased from \$1.75 to \$2.25 for each one thousand dollars value or fraction thereof, of the real estate transferred. All deeds are presumed taxable unless it clearly appears on the face of the deed or sufficient documented proof is presented to the register of deeds that the instrument is exempt under section 76-902. From each \$2.25 of the tax collected pursuant to section 76-901, the register of deeds shall retain fifty cents to be placed in the county general fund and shall remit the balance to the Nebraska Department of Revenue. Twenty-five cents of the remaining \$1.75 is credited to the Homeless Shelter Assistance Trust Fund, \$1.20 is credited to the Affordable Housing Trust Fund, and thirty cents is credited to the Behavioral Health Services Fund.

Estate and Generation-Skipping Transfer Taxes (Legislature repealed effective January 1, 2007)

Fiduciary Income Tax

Nebraska income tax is imposed for each taxable year on the adjusted federal taxable income of a resident estate or trust. Nonresident estates and trusts have the Nebraska income tax imposed for each taxable year on the portion of their income derived from sources within Nebraska.

In both cases, the tax is calculated as a percentage of Nebraska taxable income. The rates are 2.56, 3.57, 5.12, and 6.84 percent. The brackets are established in Neb. Rev. Stat. section 77-2715.02.

Litter Fee

The fee applies to manufacturers, wholesalers and retailers with annual gross proceeds of at least \$100,000 from the sale in Nebraska of certain products. Retailers are required to pay the fee on sales of: (1) food for human consumption, beverages, soft drinks, carbonated water, liquor, wine, beer, and other malt beverages, except those which are sold by retailers solely for consumption indoors on the retailer's premises; (2) food for pet consumption; (3) cigarettes and other tobacco products; (4) certain household paper and household paper products; (5) cleaning agents; and (6) kitchen supplies. Manufacturers and wholesalers are also required to pay the fee on sales of all of the items listed above, as well as glass containers, metal containers, toiletries and plastic or fiber containers made of synthetic materials. The rate is \$175 per \$1,000,000 (.000175) of gross sales of products subject to the fee. Revenue from the fee is deposited in the Nebraska Litter Reduction and Recycling Fund.

Mechanical Amusement Device Tax

An occupation tax is imposed on operators and distributors of mechanical amusement devices, such as coin-operated video games. The tax is \$35 per device placed in operation prior to July 1 of each year and \$20 per device placed in operation after July 1 of each year. All proceeds are credited to the General Fund.

Parimutuel Wagering Tax

Parimutuel wagering tax is imposed on amounts wagered for race meets other than those conducted on Nebraska State Fairground Property. Wagers placed at live meets, simulcast events, by tele-wagering, and by telephonic wagering are subject to tax. The tax applies to every corporation or association licensed to conduct horse racing within the state. The tax rate is a two-tier system. The first \$10,000,000 of wagers are exempt. For total wager amounts over \$10,000,000 and less than or equal to \$73,000,000,

the tax rate is 2.5 percent. For amounts over \$73,000,000 the tax rate is 4 percent. A tax credit is allowed for capital improvements and maintenance of the premises within the race track enclosure. The credit claimed is equal to 2 percent of the first \$70,000,000 of taxable wagers, but cannot exceed \$1,400,000. An additional tax of one-half of one percent is imposed on wagers placed by telephone.

Petroleum Release Remedial Action Fee

This fee is imposed upon the producer, importer, refiner, distributor, wholesaler, or supplier who first sells, offers for sale, or uses petroleum in Nebraska. The fee is nine-tenths of one cent (.009) per gallon on gasoline and gasohol and three-tenths of one cent (.003) per gallon on other petroleum products. An amount not exceeding \$28,000 each fiscal year is deposited in the Petroleum Release Remedial Action Collection Fund. The remainder is deposited in the Petroleum Release Remedial Action Cash Fund.

Severance and Conservation Taxes

A tax is imposed on the value of oil and natural gas severed from the land. The severance tax is levied at the rate of three percent of the value of non-stripper oil and natural gas severed from the soil of this state. Stripper wells producing oil shall remit severance tax at the rate of two percent. The tax is paid by the first purchaser, if the oil or natural gas is sold in Nebraska. The tax collected is identified either as coming from school lands or from all other lands. The conservation tax rate is .003 on the value at the well of oil and gas produced, saved and sold in Nebraska.

Tire Fee

A fee of \$1 per tire is due on each retail sale in Nebraska of a qualified tire, which includes tires for farm tractors. The fee is also due on every tire included with a new qualified vehicle and every new tire a motor vehicle dealer places on a previously-owned vehicle. Tires sold specifically for vehicles designed for off-road use and recapped or re-grooved tires are not subject to the fee.

Tobacco Products Tax

This tax is imposed on the first owner of tobacco products imported, manufactured or sold in Nebraska. Tobacco products include those forms of tobacco other than cigarettes prepared in such manners to be suitable for chewing, smoking, or otherwise. The tax rate is 20 percent of the net invoice price of the tobacco products.

Waste Reduction and Recycling Fee

An annual waste reduction and recycling fee is imposed on each business location with retail sales of tangible personal property which are subject to sales tax. The fee is \$25 on each business location with annual taxable retail sales of tangible personal property of \$50,000 or more. Fees are credited to the Waste Reduction and Recycling Incentive Fund.